IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

APPEAL NO. 168 OF 2005

IN

COMPANY APPLICATION NO. OF 2004

(Lodging No. 899 of 2004)

IN

COMPANY PETITION NO. 613 OF 1984

Engineering Workers Union ... Appellants

Versus

The Official Liquidator & Ors. ... Respondents

Mr. N.M.Ganguli for the appellants.

Mr. Sachin Shetye with Ms. Swati Deshpande i/b. M.S.Bodhanwala & Co. for Respondent No.2.

Mr. Prashant Naik for Respondent No.6.

Dr. A.K.Borthakar for Respondent No.4.

Ms. Swati Dhalibawkar i/b. Sanjiv Ahooja for Respondent No.9.

Mr. S.Ramakantha, Deputy Official Liquidator present.

CORAM: D.K.DESHMUKH &

J.H.BHATIA,JJ.

DATE : 10th September, 2007.

P.C.

1. The Appeal is not on board for final hearing. The Appeal is taken on board for final hearing by consent of the parties.

2. The Company is under liquidation. The Official Liquidator is in charge of the affairs of the Company. There was an offer received for sale of the property of the Company for Rs.10 crores. The stand of the workers and it appears the stand of some of the creditors was that the offer of Rs.10 crores should be accepted. The learned Company Judge by the order impugned in the Appeal declined to accept the offer and directed that the property should be sold by following the usual procedure of calling bids. Now that the property is being sold under the supervision of the Court, in our opinion, it stands to reason that the property is sold either by calling bids or by public auction. There are persons offering more price for the property and we have been informed by the Official Liquidator, who is present in Court, that even at that time there was an offer received for the sale of the property at Rs.14 crores. He further informs that he has also received a letter from Videocon Realty & Infrastructures Limited dated 13th June, 2007 giving offers of Rs.42 crores for the

property. In our opinion, therefore, it is thus obvious that if the property is sold by calling bids, it may fetch greater price. In any case, the Court cannot permit the property to be sold under its supervision without calling for bids. There is absolutely nothing wrong in the order impugned in the Appeal. In our opinion, not only there is no error of law in the order impugned in the Appeal, but we find that the order is in accordance with law.

The Appeal is, therefore, disposed of.

3. It is however, made clear that once the property is sold in terms of the order passed by the learned Single Judge, the workers shall be at liberty to make an application to the Company Judge for appropriate orders.

4. In view of the order in Appeal, the Notice of Motion No.1382 of 2005 does not survive for consideration.

--

(D.K.DESHMUKH,J)

(J.H.BHATIA,J.)